



**CALIFORNIA
HIGH-SPEED RAIL
AUTHORITY**

DRAFT

**BOARD MEETING MINUTES
February 2, 2012
Sacramento City Hall
915 I Street – City Council Chambers
Sacramento, CA**

The public meeting of the California High-Speed Rail Authority Board was called to order on February 2, 2012 at 10:03 am at Sacramento City Hall, City Council Chambers, Sacramento, CA.

Members Present: Thomas Umberg, Chairman
Lynn Schenk, Vice-Chair
Tom Richards, Vice-Chair
Jim Hartnett
Dan Richard
Michael Rossi
Russell Burns

Members Absent: Bob Balgenorth

Pledge of allegiance was administered by Board Member Michael Rossi.

Minutes prepared in the order items were presented during the meeting.

Agenda Item # 1 – Election of Officers

Chairman Umberg nominated board member Dan Richard for the office of Chairman. There were no other nominations. Member Lynn Schenk seconded the nomination. Nomination passes unanimously. (6-0) Chairman Richard presided over the remainder of the meeting.

Agenda Item # 2 – Public Comment

An opportunity was made for public comment. There were a great number of people who spoke in support of the project with an emphasis on jobs, long-term benefits, and the upcoming construction. There were also a few people who spoke in opposition to the project with a concern over fiscal matters.

Agenda Item # 3 – Approval of Meeting Minutes

The minutes from the December 13, 2011 meeting and the minutes from the January 12, 2012 meeting were given a motion to approve from Mr. Umberg. Mr. Richards and Mr. Hartnett seconded the motion. The motion passed unanimously. (6-0)

Agenda Item # 4 – Board Policy Amendment

Mr. van Ark recommended that the Finance Committee be renamed the Finance and Audit Committee of the Board and that the audit responsibility should be added to this committee's responsibilities. Chairman Richard requested that Mr. Rossi serve as chair of this committee. Mr. Umberg moved to adopt the recommendation. Mr. Burns seconded. Motion passed unanimously (6-0) adopting Resolution HSRA12-02.

Agenda Item # 5 – Supplemental Alternatives Analysis Report for Bakersfield-Palmdale

Mr. McLoughlin and Mark Wiseman provided an update of the Supplemental Alternatives Analysis Report and staff recommendations for the Bakersfield to Palmdale section. Changes in alignments and station alternatives were given in the presentation. Preferable alignments were shown along with less desirable routes and explanations were given as to the reasons the preferable alignments were chosen. Approval of the board is needed to progress with the 15% design and the draft EIR/EIS document. Mr. Richards moved to approve the recommendations as presented in the Board Memorandum for Agenda Item #5. Ms. Shenk seconded the motion. Motion passed unanimously. (6-0)

Agenda Item # 6 – Report on the Communications & Outreach Activities of the Authority

This item will be put over until the next board meeting, as Lance Simmens (Director of Communications and Outreach) was not present. There was no opposition.

Agenda Item # 7 – Members' Report

There were no member reports given.

Agenda Item # 8 – Chief Executive Officer's Report

Mr. van Ark reported on the status of the RFQ for the construction of the initial construction section. Package number one has been concluded and the companies have been shortlisted and they have been notified. The next stage is the RFP [Request for Proposal], where the companies will be given a term sheet to be reviewed which includes scope of work and general and special terms and conditions. The companies will then be asked to comment within a two week period. The term sheet, the RFP, and a stipend payment to the non-successful bidders, will be put forward at the March board meeting for a vote. Then it will be subject to the Public Works Board on March 8.

The Bay Area to Central Valley revised program EIR documents were released for a 45-day comment period on January 6th, with a closing date of February 21st. A public hearing will also be held in San Jose on February 9th where public comment will be heard and recorded.

The Authority continues to work diligently on the Bureau of State Audits follow up audit and recommendations. A letter has been submitted to them respectfully disagreeing with a couple of points made in the report. The first being the fact that "the high-speed rail planning situation has become increasingly risky", is speculation and should not be a part of the audit report. The second point is regarding issues of understanding the roles of the Project Management Team [PMT] reporting. The Authority will be making a report to the Board on a periodic basis to keep them updated on the audit recommendations and progress made toward resolutions.

The US Department of Transportation released a Notice of Funding Availability (NOFA) for another half a billion dollars in grant funding for infrastructure investment. It is called TIGER Discretionary Grant Program. Up to \$200 million is available for high-speed and intercity transportation projects. The Authority will need to apply by February 20th and begin looking for some early investments and smaller projects in northern and southern California.

The Agricultural Working Group, led by Jeff Abercrombie, is active and has meetings on January 13th, January 27th, and will be meet again on February 6th. A webpage will be up on the Authority's website with the documents that we will be collecting for the agricultural working group. The first paper that will be posted is on pesticide regulations and the next will be on the impacts of high-speed rail on dairy operators.

The projected target date for the final Merced-Fresno EIR/EIS documents is for early May. The final documents will be brought before the Board at that time. Discussions with stakeholders and local communities are continuing in several areas to ensure that the final documents incorporate the right understanding of some details. Appraisers will begin meeting with the affected property owners in the City of Fresno late February to early March. The Fresno-Bakersfield EIR/EIS is still being revised and will be issued later this spring.

The FRA letter of last year, which contained a complaint against the Authority, has led to various activities that are listed on the executive summary of the Title VI Plan. The Authority has drafted a Title VI policy on the policy and plans that is currently under internal review. The policy and plan will be brought to the Board to vote at the April 2012 board meeting. The second FRA recommendation was to establish a Business Advisory Council to facilitate the participation of small, disadvantaged, disabled veteran businesses. Also included are micro businesses and non-small business representation via construction professional services, and business trade members. The council will provide commentary and insight in the Authority policies and practices and effect or impact small business utilization and participation of High-Speed Rail Authority projects and contracts. Sixty-eight California-based businesses have been solicited. Thirty-four have responded with interest letters and twenty will be chosen for the council. The final twenty will be presented to the Board in April for approval of the formation of this Business Advisory Council. The third item is the SBE, DBE, public program plan and public facilitation. Electronic notification was sent to the 21,000 stakeholders. From 2000-2012, over 162,270 emails were sent. Public notices were advertised in 21 diverse notifications to solicit public comments. Listening sessions were also held in San Francisco, Merced, and Los Angeles. The Authority's website also solicits public commentary on the draft SBE, DBE programs.

There will be an additional board meeting on April 19th to decide on the preferred alignment, Bay Area to Central Valley following the re-issuance of the revised EIR documentation. In May, there will be a one-and-a-half day or two-day meeting in Fresno May 2nd and May 3rd, due to the work that needs to be done related to the Merced, Fresno alignment Notice of Determination [NOD].

Stationary planning funding agreements have been signed with Fresno, which is the first station being built. An NTP has been issued for the station area planning for Fresno.

The comment period for the Business Plan closed on January 17th. Comments are being analyzed and ensuring the business plan is updated to meet the expectations of the stakeholders as much as possible. Coordination and analysis is also being held with many regional rail operators on the inclusion of a blended system.

The right-of-way acquisition advanced services funds requested from the legislative \$18 million, has been approved by the Department of Finance. Work in the Central Valley section can now begin. Mr. Tom Fellenz and Human Resources at the Authority are in the process of signing a contract with CPS Consulting to perform a survey to begin the search for a new CEO. DGS is expected to approve the contract in the next week. Staffing at the Authority stands at 29 ½ out of the budgeted 54 positions.

Chairman Richard adjourned the regular proceedings portion of the meeting at 12:21 pm in memory of Walter Johnson, head of the San Francisco Central Labor Council, Head of the Steel Workers Union, and a fixture in the labor movement in California. The Board then adjourned to closed session for item #9 and #10.

Agenda Item # 9 – Closed Session Pertaining to Litigation

The Board moved into closed session and returned with an announcement that there was nothing to report.

Agenda Item # 10 – Closed Session Related to Employment of a Chief Executive Officer

The Board moved into closed session and returned with a report that this item will be left open to be closed and reported on at a later time.

Chairman Richard adjourned the meeting at 2:00 pm, keeping item #10 open until a later date.



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**Resolution # HSRA 12-02
Amendment to the Board Policies and Procedures**

Resolved, that Article V, Section B 3., of the Board Policies and Procedures is amended as follows:

3. The subject matter jurisdiction of the Finance and Audit Committee shall include the following:

- Review development of a phased segment-by-segment financial plan that leverages Proposition 1A proceeds with federal American Recovery and Reinvestment Act (ARRA) high-speed rail funds
- Review all funding opportunities beyond Proposition 1A and ARRA, including local and private
- Consideration of a framework for Private sector participation given Proposition 1A and ARRA funding and cash flows
- Review matters of state bonds sales, debt financing, financial operations, and financial reporting
- Review coordination with the Legislative Analyst's Office on annual reports, etc.
- Review reports by the Bureau of State Audits and the Authority's staff responses and implementation plans

Vote: 6:0 in favor
Date: Feb 2, 2012